

Clearly, Mr. Ainsworth's TRO hot cut is **not** contemplated by the workflow process, and hence the rate, established for A.1.1 and A.1.2 based upon FL-2w.xls in Docket 990649-TP. The workflows are just not the same, and there are even different departments involved.

**Q. WHAT DID THE FPSC ACTUALLY USE THE A.1.1 AND A.1.2 NRC COST STUDY (FL-2W.XLS) FOR.?**

A. A staggering variety of disparate tasks. But, importantly, not a UNE-P to UNE-L conversion. Since FL-2W.xls is the sole 2-wire cost study<sup>40</sup>, it was used for all 2 wire rates, except the retail/resale to UNE-P conversion rate. Thus it is used for:

- The construction of new SL1 and SL2 (A.1.1 and A.1.2) loops to locations which do **not** already have it, and does not distinguish such from a retail to UNE-L conversion, or a UNE-P to UNE-L conversion.<sup>41</sup>
- The provisioning of UNE-P service to a location that does not currently have service, or warm-dialtone (i.e., loop construction/provisioning NRC rates)
- ADSL loop construction/provisioning NRC rates
- HDSL loop construction./provisioning NRC rates
- ISDN BRI construction/provisioning NRC rates<sup>42</sup>.

To that disparate list, BellSouth now claims, without being able to cite to any record evidence, and in contradiction of its own cost study expert that the following rates were also adjudicated based upon this single cost study:

- Retail to UNE-L conversion
- Resale to UNE-L conversion
- UNE-P to UNE-L conversion.

This contention is simply unsupportable by the record evidence. Furthermore, BellSouth has refused to provide or even point to any record evidence in Docket 990649-TP, whether it be

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<sup>40</sup> With the exception of the retail/resale to UNE-P conversion cost study which led to a non-recurring rate of 10.2 cents to re-use the retail/resale A1..1 loop for UNE-P.

<sup>41</sup> Id., at p. 19.

<sup>42</sup> While a cost study for this 2-wire circuit was not located, neither is the record evidence crystal clear that the FL-2W.xls study was used to set this rate. However unless and until shown otherwise, Supra believes this cost study was used for this rate as well.

1 BellSouth testimony, exhibits or any other type of document, which supports BellSouth's  
2 contention, despite Supra's discovery requests seeking such.<sup>43</sup>

3  
4 **Q. DID BELL SOUTH EVER ACTUALLY PREPARE A HOT CUT COST STUDY?**

5 A. According to BellSouth's Mr. Ruscilli, it did.<sup>44, 45</sup> Although BellSouth had proposed a  
6 bulk UNE-P to UNE-L conversion process in Docket No. 030851-TP, and although BellSouth  
7 claimed that it had prepared a cost study for such, no such cost study was ever filed with the  
8 FPSC or provided to Supra or any other CLEC in Florida.<sup>46, 47, 48</sup>

9 Instead Mr. Ruscilli asks us to make the following leaps of faith:

- 10 • A bulk hot cut cost study was prepared<sup>49</sup>  
11 • The A.1.1 and A.1.2 NRC costs are assumed to be from the August 16, 2000<sup>50</sup>  
12 rejected by this Commission in 990640-TP, as BellSouth simply does not agree with  
13 what the FPSC previously ordered.  
14 • That without the FPSC factors the bulk rate was "less than the original filed costs"<sup>51</sup>  
15 (i.e. the August 16 2000 cost study at approx \$71), but "higher than the ordered loop  
16 rates set by this Commission"<sup>52</sup> (\$49.57). Obviously there are errors in the bulk  
17 study at this point.  
18 • That **the FPSC factors alone result a \$24 reduction** from BellSouth's claim. (i.e.  
19 The August 16, 200 cost study minus October 2001 FPSC order. )

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<sup>43</sup> See Supra's 1<sup>st</sup> Request for Production of Documents (seeking any testimonies, exhibits or any other documents in support of BellSouth's claims that the FPSC already set a UNE-P to UNE-L conversion rate), BellSouth's Response, Supra's Motion to Compel (Filed August 27, 2004), and BellSouth's Response to Supra's Motion to Compel (Filed September 2, 2004).

<sup>44</sup> Direct Testimony of John Ruscilli, Docket 030851-TP, pg 18.

<sup>45</sup> See Exhibit Supra Exhibit # DAN-24 030851-TP Direct surebuttal of John Ruscilli at page 17.

<sup>46</sup> See **Supra Exhibit # DAN-24**—Surebuttal Testimony of John A. Ruscilli, filed January 28, 2004, at p. 17.

<sup>47</sup> See Rebuttal Testimony Van De Water, Docket 030851-TP pages 27-28.

<sup>48</sup> See Rebuttal Testimony Gallagher, Docket 030851-TP, pg 14.

<sup>49</sup> Whether it addresses any of the 8 methods of conversion, or just the BellSouth practice of tearing down the old loop and building a new copper or UDLC loop (whether necessary or not), cannot be determined until BellSouth actually produces its cost study, produces discovery, and allows its author(s) to be deposed.

<sup>50</sup> i.e. the cost study BellSouth has provided in this Docket, and before the FCC, rather than the October 8, 2001 or subsequent studies reflecting the corrections and adjustments ordered by the FPSC.

<sup>51</sup> See **Supra Exhibit # DAN-24**—Surebuttal Testimony of John A. Ruscilli, filed January 28, 2004, at p. 17.

<sup>52</sup> *Id.*

- That when BellSouth then applied what it “understood”<sup>53</sup> were the Commission factors, the batch hot cut rate fell “approximately 10% below the ordered loop rate”<sup>54</sup>, (even though that makes no sense.)
- As a result, Mr. Ruscilli asserts the **higher priced** A.1.1 NRC was used, instead of the **lower priced** bulk hotcut study which BellSouth has heretofore kept buried in its archives.

**Q. ACCORDING TO MR. AINSWORTH’S SWORN TESTIMONY IN THE TRO SWITCHING DOCKET, 030851-TP, WHAT PORTIONS OF THE FL-2W.XLS COST STUDY<sup>55</sup> ARE NOT LEGITIMATELY INCLUDED IN A HOT CUT NON-RECURRING COST?**

**A.** There are numerous worksteps of the **thirty four (34)** individual work activities, performed by **nine (9)** different paygrades, in **seven (7)** departments which are NOT included in Mr. Ainsworth’s **five (5)** individual work activities, performed by **three (3)** departments. This alone should prove Supra’s case, however to be specific and precise, the following issues which **are contained** within the NRC rate set for A.1.1 and A.1.2 elements **are not contained** within Mr. Ainsworth’s hot cut definition<sup>56</sup>, or flowchart<sup>57</sup> :

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<sup>53</sup> Despite Mr. Ruscilli’s testimony, the deposition of Ms. Caldwell in this Docket revealed that BellSouths premier cost expert is unable to positively reproduce the rates ordered by this Commission. As a result, Ms. Caldwell, in live testimony and discovery responses, testified that she is not certain exactly what the FPSC did in adjusting the final ordered rates, and that the October 8, 2001 Compliance filing does not duplicate the rate. With this uncertainty it is essential that this cost study be reviewed by the industry.

<sup>54</sup> See Supra Exhibit # DAN-24—Surebuttal Testimony of John A. Ruscilli, filed January 28, 2004, at p. 17.

<sup>55</sup> Supra Exhibit # DAN-9, the OCTOBER 8, 2001 Compliance filing study

<sup>56</sup> Supra Exhibit # DAN-23 Direct Testimony of Kenneth Ainsworth in Docket 030851-TP at page 10

<sup>57</sup> See Supra Exhibit # DAN-31 for Exhibit KLA-1 to Mr. Ainsworth’s testimony.

1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
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6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
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10 [REDACTED]  
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<sup>58</sup> Four steps totaling 27 minutes, factored at various percentages in the August 16, 2000 cost study (Supra Exhibit # DAN-6, file FL-2w.xls, INPUTS\_CONNECT&TEST tab.

<sup>59</sup> As opposed to the October 8 cost study which documents the FPSC intent.

<sup>60</sup> i.e. this item addresses the portion of the August 16, 2000 cost study which BellSouth states they are seeking in this case, despite having the FPSC order these times removed. These times are **all** set to zero by the October 8, 2001 cost study per FPSC order.

<sup>61</sup> Or 15.8 min for SL1.

<sup>62</sup> A.1.2 (SL2) loops only.

<sup>63</sup> A.1.2 (SL2) loops only.

<sup>64</sup> Supra technician followed BellSouth on a number of UNE-P to UNE-L conversions. Despite the assertions of management, and the inclusion of 23 min to tag the loop at the NID, BellSouth **did not tag one loop** monitored by Supra technicians. BellSouth further asserts that Supra requested this. This is untrue.

1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED]  
15 15. [REDACTED]  
16 [REDACTED]  
17 [REDACTED]  
18 [REDACTED]

19 None of these worktimes are addressed by Mr. Ainsworth's testimony or his flowchart (KLA-1,  
20 Supra Exhibit # DAN-31) and as such are improperly being sought by BellSouth in its  
21 application of the full A.1.1 and A.1.2 NRC rates.  
22

23 **Q. HOW DOES THE PROCESS THAT IS DEFINED BY THE CURRENT**  
24 **INTERCONNECTION AGREEMENT MATCH UP WITH THE A.1.1 AND A.1.2**  
25 **(FL-2W.XLS) COST STUDY?**

26 A. It does not. The flow chart that BellSouth created for the Current Agreement is as set  
27 forth in Supra Exhibit # DAN-29 "Coordinated Hotcut" as presented by Bellsouth in the Supra –  
28 BellSouth contract arbitration (Docket 001305-TP), which led to the current agreement language  
29 in Attachment 2, Section 3.8. There are substantial discrepancies between the two processes.  
30 Supra's Cost study, discussed below, makes an informed effort to conform the 990649-  
31 TP cost study to the real world process f UNE-P to UNE-L conversion.

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2 **Q. WHY IS IT THAT THIS HOT-CUT PROCEDURE SPECIFIED BY THE**  
3 **CURRENT AGREEMENT IS NOT PROPERLY BILLED BY THE RATE**  
4 **STRUCTURE OF 990649-TP?**

5 **A.** There are numerous reasons:

- 6 1. The hot-cut defined by the Current Agreement is significantly newer than the  
7 proceedings of 990649-TP. The substance of the A.1.1 and A.1.2 NRC cost study /  
8 elements were filed on August 16, 2000.
- 9 2. The hot cut defined by the Current Agreement was arrived at after testimony filed  
10 by AT&T and Supra led to modifications of BellSouth's original position, filed on  
11 September 1, 2000 in its petition for arbitration.
- 12 3. The final process was not arrived at prior to the Commission's Order of May 25,  
13 2001<sup>65</sup>.
- 14 4. At the time of the hearings on September 26-27, 2001, the remaining issue between  
15 Supra and the AT&T/BellSouth negotiated process concerned the CLEC  
16 notification process, post cut, to ensure that LNP number porting requests to NPAC  
17 could be accomplished timely.
- 18 5. The manual phone call procedure which was ultimately ordered by the FPSC has  
19 subsequently been significantly modified<sup>66</sup>, at Supra's request, to a simpler and  
20 significantly less costly email notification.

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<sup>65</sup> Supra Exhibit # DAN-1, Order PSC-01-1181-FOF-TP in Docket 990649-TP.

<sup>66</sup> Replacing a highly costly, and error prone manual phone call with an automated email "go-ahead" notice. BellSouth has yet to even acknowledge that such cost savings should be passed on to Supra, much less publicly acknowledge the magnitude of the worktimes reduction.

1           6. There are worksteps, and worktimes embedded in the FL-2w.xls cost study which  
2           are avoided **for the vast majority of UNE-P to UNE-L conversions**, which are  
3           charged on 100% of all orders, as they would be for new construction, but which  
4           are totally avoided in the conversion of a working UNE-P line.

5           7. The cost study does not address loops served by IDLC at all.<sup>67</sup>

6   **Q.   WHAT SHOULD THE RATE BE FOR NON-IDLC LINES?**

7   A.   The rate should not exceed \$5.27.

8  
9   **Q.   HOW DID SUPRA COME UP WITH THE \$5.27 RATE? WHAT PROCESS DID**  
10   **SUPRA ESTABLISH FOR ITS COST STUDY AND THE HOT CUT PROCESS**  
11   **ITSELF?**

12 A.   Supra looked to the Generic UNE cost Docket 990649-TP as a starting point. In that  
13 docket there is but one non-recurring cost study for 2-wire loops, be they analog, SL1<sup>68</sup>, SL2<sup>69</sup>,  
14 Copper Loop (undesigned)<sup>70</sup>, ADSL<sup>71</sup>, HDSL<sup>72</sup>, ISDN BRI, Copper Loop (long<sup>73</sup> short<sup>74</sup>).  
15 According to BellSouth, all 2-wire Non recurring rates come from this all-inclusive cost study.

16       Supra's approach was to modify the study to zero, or reduce worktimes for activities that  
17 are avoided altogether during a UNE-P to UNE-L conversion.

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<sup>67</sup> See BellSouth's Response to Supra's First Request for Admissions (Nos. 1-20), No. 4(k), dated June 8, 2004.

<sup>68</sup> A.1.1

<sup>69</sup> A.1.2

<sup>70</sup> A.13.12

<sup>71</sup> With (A.6.1wLMU) or without (A.6.1woLMU) Loop Makeup ("LMU").

<sup>72</sup> With (A.7.1wLMU) or without (A.7.1woLMU) Loop Makeup ("LMU").

<sup>73</sup> With (A.13.7wLMU) or without (A.13.7woLMU) Loop Makeup ("LMU").

<sup>74</sup> With (A.13.1wLMU) or without (A.13.1woLMU) Loop Makeup ("LMU").



1 Q. DOES BELL SOUTH SUPPORT THE METHODS EMPLOYED BY SUPRA'S  
2 MODIFIED COST STUDY?

3 A. No. BellSouth witness Caldwell stated at her deposition that she would prefer that the  
4 worktimes that were set to zero be restored, and instead the probability factor be reduced as  
5 appropriate. Since the results will be identical, Supra has no problem with this change.  
6

7 Q. WHAT SPECIFIC CHANGES WERE MADE TO THE BELL SOUTH COST  
8 STUDY?

9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED]  
15 [REDACTED]  
16 [REDACTED]  
17  
18 [REDACTED]

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<sup>75</sup> And the affidavit of Mr. Keith Milner in the Florida / Tennessee 271 proceeding.

<sup>76</sup> As opposed to time specific coordination which is the primary difference between SL1 and SL2 loops (and the inclusion of test capability) – the cost of the manpower to coordinate.

<sup>77</sup> And hence the Supra Cost Study.

<sup>78</sup> And possibly anti-competitive, since the UNEC center is exclusively for CLEC wholesale orders.

<sup>79</sup> This center, and all of its worktimes are not mentioned in Mr. Ainsworth's direct testimony in 030851-TP, or Exhibit KLA-1 thereto.

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<sup>80</sup> Again, whether this is done via setting either the worktime, or the probability, to zero does not matter to  
Supra.  
<sup>81</sup> Which may still be too high.

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2 [REDACTED]  
3 [REDACTED]  
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14 [REDACTED]  
15 [REDACTED]  
16 [REDACTED]  
17 [REDACTED]  
18 [REDACTED]

19  
20 **Q. WHAT RATE DOES THE SUPRA COST STUDY INDICATE FOR A UNE-P TO**  
21 **UNE-L CONVERSION WHERE THE UNE-P LOOP IS SERVED BY COPPER**  
22 **OR UDLC?**

23 A. At a maximum, \$5.27 cents if Bellsouth is constrained by Mr. Ainsworth's testimony that  
24 the Central Office Forces take just 2:39 to actually perform a hot cut. To date BellSouth has not  
25 provided any substantive responses to Supra's discovery requests to document precisely what  
26 work activities the BellSouth claim of [REDACTED] consist of except a list of  
27 work activities<sup>82</sup> which contain duplicative and avoided tasks<sup>83</sup> and a more recent list<sup>84</sup>

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<sup>82</sup> But no times.

<sup>83</sup> Per Deposition of Daonne Caldwell.

<sup>84</sup> Created last February at my request but never sent to Supra until last weekend.

1 containing activities and times which amount to [REDACTED] BellSouth claims  
2 for a SL1 Conversion,

3  
4 **Q. ARE THERE ISSUES WHERE BELL SOUTH DOES NOT AGREE WITH THE**  
5 **SUPRA COST STUDY.**

6 A. According to Ms. Caldwell, Bellsouth does not agree that the use of 2:39 (2.65 min) for  
7 Central Office Forces to move the jumper is appropriate, in lieu of the 10/15 mins that Bellsouth  
8 has requested. This despite Mr. Ainsworth's testimony In the TRO proceeding. Supra has  
9 attempted to resolve this issue through 3 rounds of admissions and interrogatory, and a  
10 deposition. The only substantive information that comes from BellSouth on this issue indicates  
11 they now wish to recover [REDACTED] for a SL1 Loop instead of the [REDACTED] they previously  
12 requested from this Commission. As the various motions to compel are ruled upon, I hope this  
13 issue gets resolved.

14 Currently this issue, between the [REDACTED] BellSouth sought to recover, and the 2:39  
15 that Mr. Ainsworth testified to represents a variance of [REDACTED] than potential could be added back  
16 to Supra's \$5.27 cost study if BellSouth were to prevail with its [REDACTED] claim.

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18 **Q. ARE THERE ANY OTHER ISSUES BETWEEN BELL SOUTH AND SUPRA**  
19 **REGARDING SUPRA'S COST STUDY.**

20 A. A couple. First, Ms. Caldwell objects to the very concept of Supra taking a BellSouth  
21 cost study, considering the actual processes involved, and then making the appropriate  
22 corrections although this is the very same process that the FPSC and the industry used in  
23 Docket 990649-TP. Because of that, this concern should be ignored.

1        BellSouth objected to the separation of copper/UDLC from IDLC, but since the  
2 Commission ruled on the issues in this Docket, that concern should be moot at this point until the  
3 final determination.

4        During Ms. Caldwell's deposition (which is not yet complete) there arose differences on  
5 the worktimes for SAC, which amount to [REDACTED]

6        That said, the issues surrounding the CO Forces and the outside plant (I&M and SSI&M)  
7 represent the lions share of the dispute between the parties regarding the ultimate rate.

8

9        **Q.    IS \$5.27 / \$4.50 THE LOWEST RATE(S) THE COMMISSION SHOULD**  
10        **CONSIDER?**

11        A.    No. There are substantive issues surrounding the fact that Supra left in its cost study  
12 certain work activities included In the A.1.1 / A.1.2 cost study (as described above) due to  
13 BellSouths refusal to provide information on said activities, which were later revealed to be  
14 absent from Mr. Ainsworth's TRO hot cut flowchart<sup>85</sup>, or the Affidavit of Mr. Keith Milner in  
15 the Florida / Tennessee 271 proceeding.

16        As such, Supra's cost study has been compromised by the current lack of discovery from  
17 BellSouth, and a full and open cost proceeding could, should, and will arrive at a lower rate still.

18

19

20        **Q.    DOES THIS FULLY ADDRESS THE ISSUE 3 COST ANALYSIS?**

21        No. A bulk conversion process is mandated by the FCC and quite essential when one considers  
22 that Supra has upwards of 20,000 UNE-P lines in some offices. BellSouth has proposed a bulk

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<sup>85</sup>        See Supra Exhibit # DAN-31

1 conversion process, and even created a cost study. Once Supra has had a chance to review  
2 BellSouth's cost study and proposed worktimes and processes, it will be in a better position to  
3 state exactly what the appropriate costs should be for such.

4  
5 **Q. WHAT DOES THE BELL SOUTH BULK HOT CUT RATE INCLUDE AND**  
6 **WHAT WORK ACTIVITIES DOES IT INCLUDE?**

7 A. We don't know. All we know is that Bellsouth is willing to offer a 10% reduction, but  
8 that is offered without any visibility into BellSouths actual costs. BellSouth allegedly did  
9 prepare such a cost study to Mr. Ruscilli.<sup>86, 87</sup> but, no such cost study was ever filed with the  
10 Commission or provided to Supra, or any other CLEC in Florida for review.<sup>88, 89, 90</sup>

11 However, as I stated above, what we do know about BellSouth's Bulk hot cut leads us to  
12 seriously question how valid such a study is. It is not just that the reduction is less than we  
13 wanted or expected, although both are true. It is that the very minute details we have already  
14 heard from Mr. Ruscilli leave some very serious unanswered questions:

- 15 • A bulk hot cut cost study was prepared<sup>91</sup>
- 16 • The A.1.1 and A.1.2 NRC costs are assumed to be from the August 16, 2000<sup>92</sup>
- 17 rejected by this Commission in 990640-TP, as BellSouth simply does not agree with
- 18 what the FPSC previously ordered.
- 19 • That without the FPSC factors the bulk rate was "less than the original filed costs"<sup>93</sup>
- 20 (i.e. the August 16 2000 cost study at approx \$71), but "higher than the ordered loop

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<sup>86</sup> Direct Testimony of John Ruscilli, Docket 030851-TP, pg 18.

<sup>87</sup> See Exhibit Supra Exhibit # DAN-24 030851-TP Direct surebuttal of John Ruscilli at page 17.

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<sup>89</sup> See Rebuttal Testimony Van De Water, Docket 030851-TP pages 27-28.

<sup>90</sup> See Rebuttal Testimony Gallagher, Docket 030851-TP, pg 14.

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<sup>92</sup> i.e. the cost study BellSouth has provided in this Docket, and before the FCC, rather than the October 8, 2001 or subsequent studies reflecting the corrections and adjustments ordered by the FPSC.

<sup>93</sup> See Supra Exhibit # DAN-24—Surebuttal Testimony of John A. Ruscilli, filed January 28, 2004, at p. 17.

1 rates set by this Commission"<sup>94</sup> (\$49.57). Obviously there are errors in the bulk  
2 study at this point.

- 3 • That the FPSC factors alone result a \$24 reduction from BellSouth's claim. (i.e.  
4 The August 16, 200 cost study minus October 2001 FPSC order. )  
5 • That when BellSouth then applied what it "understood"<sup>95</sup> were the Commission  
6 factors, the batch hot cut rate fell "approximately 10% below the ordered loop  
7 rate"<sup>96</sup>, (even though that makes no sense.)  
8 • As a result, Mr. Ruscilli asserts the higher priced A.1.1 NRC was used, instead of  
9 the lower priced bulk hotcut study which BellSouth has heretofore kept buried in its  
10 archives.  
11

12 Q. WHAT DOES THAT LEAD YOU TO CONCLUDE ABOUT A BULK HOT CUT  
13 RATE FOR LOOPS SERVED BY COPPER OR UDLC?

14 A. That the rate should be less than \$4.50 once fully adjudicated.  
15  
16

17 Q. SHOULD THE COMMISSION ESTABLISH A NEW RATE FOR THE UNE-P TO  
18 UNE-L HOTCUT, FOR UNE-P LOOPS SERVED BY COPPER OR UDLC,  
19 WHAT RATE WILL THAT BE?

20 A. Less than \$5.27 for an individual hot cut, and less than \$4.50 for a bulk hot cut.  
21

22 Q. THE A.1.1 / A.1.2 COST STUDY DESCRIBES JUST ONE METHOD – THE  
23 CREATION OF A NEW COPPER OR UDLC LOOP FROM SCRATCH ASSUMING  
24 THAT LITTLE OR NOTHING FROM THE UNE-P SERVICE IS RE-USED.

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<sup>94</sup> *Id.*

<sup>95</sup> Despite Mr. Ruscilli's testimony, the deposition of Ms. Caldwell in this Docket revealed that BellSouth's premier cost expert is unable to positively reproduce the rates ordered by this Commission. As a result, Ms. Caldwell, in live testimony and discovery responses, testified that she is not certain exactly what the FPSC did in adjusting the final ordered rates, and that the October 8, 2001 Compliance filing does not duplicate the rate. With this uncertainty it is essential that this cost study be reviewed by the industry.

<sup>96</sup> See *Supra* Exhibit # DAN-24—Surebuttal Testimony of John A. Ruscilli, filed January 28, 2004, at p. 17.

1       **DOESN'T THIS CONTRADICT BELL SOUTH'S TRO TESTIMONY? IS IT EVEN**  
2       **INDICATIVE OF WHAT BELL SOUTH ACTUALLY DOES?**

3       A.     Although BellSouth had proposed eight (8) different alternatives, with varying degrees of  
4       costs and efficiencies, for handling UNE-P to UNE-L conversions in which the loops are being  
5       served with IDLC, to date, BellSouth has not submitted any cost studies regarding such  
6       alternatives to the Commission or to Supra.<sup>97</sup>

7             Of the various options identified in BellSouths IDLC conversion document (Supra  
8       Exhibit # DAN-32 and Supra Exhibit # DAN-35, but not the earlier versions Supra Exhibit #  
9       DAN-33 Supra Exhibit # DAN-34) BellSouth is actively performing options 1 & 3 (move it to  
10      copper, move it to UDLC) but ignoring all other methods.

11            Some of those other technology based methods already in regular Bellsouth service  
12      would serve to **lower**, not raise the cost of IDLC conversion.

13  
14  
15      **Q.     DOES IT AUTOMATICALLY FOLLOW THAT A CONVERSION OF UNE-P TO**  
16      **UNE-L WITH THE UNE-P LOOP SERVED BY IDLC (OR INA) WILL**  
17      **NECESSARY HAVE TO EXCEED THE NRC FOR A LOOP SERVED BY**  
18      **COPPER OR UDLC?**

19      A.     Not at all. In fact, that only comes to pass if the loop is completely reconstructed from  
20      scratch, something we have already proven is an unnecessary violation of a Supreme Court order  
21      against unnecessary disconnection of already connected elements.

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<sup>97</sup>       See Caldwell Depo, at pp. 34 and 117.



1 Yet it remains BellSouth's predominant method of conversion today.

2

3 **Q. WHY IS THAT WRONG?**

4 A. Because Class 5 switch ports are expensive. Too expensive to hardwire an IDLC box to  
5 directly. The reason for this is the universe of customers who could be connected to a single  
6 IDLC box, (and hence to its captive switch port(s)) is limited by the location of the remote  
7 terminal where the IDLC is located and the F2 loop distribution pairs that run into it.

8 In the extreme case of a new development provisioned with 1024 loops, but only one  
9 home has been built, if the IDLC were hardwired to the switch, 1024 switch ports would be  
10 stranded, dedicated to that one development and unavailable for use for other customers.

11 BellSouth and most all other telephone companies go to great lengths, and expend capital  
12 and manpower to prevent such inefficiency from happening on its most expensive equipment.  
13 The Digital Crossconnect ("DCS" or "DACS")<sup>98</sup> was designed to solve such capacity / traffic  
14 issues for both the network transport side of the switch and customer HiCapacity<sup>99</sup> line-side  
15 circuits<sup>100</sup>. Essentially, several partially full facilities (circuits) are brought in from the field, and  
16 re-combined into a single, 100% utilized facility before being presented to the switch.

17 For years BellSouths has been installing its IDLC systems in this manner to save its  
18 internal costs.

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<sup>98</sup> Before the general advent of modern DCS systems, BellSouth implemented its INA system using older technology to multiplex partially used facilities onto full facilities to provide this type of line side concentration for DLC and HiCap circuits. Thus several partially filled facilities are combined and then presented to the switch using maximum efficiency of expensive switch ports

<sup>99</sup> i.e. DS1 and above.

<sup>100</sup> The same thing happens when a business customer buys less than the full 24 channels in a T1 facility. Without a DCS, the unused channels would tie up switch ports. With the DCS, the 12 channels from one customer T1 can be combined with 6 from two other customers, and a full 24 channel T1 is presented to the switch, from three partially full Ta's saving 48 switch ports in this example.

1

2 **Q. HOW DOES THAT APPLY TO THE PROBLEM AT HAND?**

3 A. Once a facility is routed into a DCS system, software controls where that call comes out  
4 of the DCS. It also controls whether everything coming in on one facility is routed out on the  
5 same or different facilities. All this is done under software command and control.

6 For years, Bellsouth has been deploying its IDLC (and other line units) using DCS and/or  
7 INA to present highly efficient workloads to the switch. Since BellSouth is **already** remapping  
8 these incoming packets to its switches today, it is fully capable of routing specific packets to  
9 alternate DS1 facilities.

10 Those facilities can be owned by BellSouth or leased by Supra.

11 Once Supra pays<sup>101</sup> for a dedicated facility from a BellSouth office to its switch, it is  
12 patently simple to re-direct that particular call channel not to the BellSouth DS1, but to the Supra  
13 DS1.

14 At least as far back as June 12, 1998 when this Commission issued order PSC-98-0810-  
15 FOF-TP (AT&T / MCI arbitration #1), there has been a well recognized tenet that provisioning  
16 that happens exclusively via flow through OSS commands has a distinctly identifiable cost on  
17 the order of what the Commission had determined was appropriate for a PIC change.<sup>102</sup> <sup>103</sup> <sup>104</sup> <sup>105</sup>

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<sup>101</sup> Using already in-place UNE elements and pricing that Supra identical to what Supra is already purchasing  
to interconnect its switch to BellSouth, transport vendors, LD providers etc.

<sup>102</sup> PSC-98-0810-FOF-TP AT&T / MCI arbitration #1

<sup>103</sup> See Supra Exhibit # DAN-1 PSC-01-1181-FOF-TP the May 2001 Generic UNE order.

<sup>104</sup> See **Error! Reference source not found.** PSC-01-2051-FOF-TP the October 2001 Generic UNE order.

<sup>105</sup> See Supra Exhibit # DAN-4 PSC-02-02413-FOF-TP the Supra-BellSouth arbitration order.

1           Therefore it is eminently possible and conceivable that an individual IDLC conversion  
2   would have a cost as low as the \$0.102 (ten point two cents) proscribed by this Commission for  
3   such electronic changes as retail to UNE-P conversions<sup>106</sup>

4  
5   **Q.     SHOULD THE COMMISSION ESTABLISH A NEW RATE FOR THE UNE-P TO**  
6           **UNE-L HOTCUT, FOR UNE-P LOOPS SERVED BY IDLC, WHAT RATE WILL**  
7           **THAT BE?**

8   **A.     The electronic OSS change charge of \$0.102, unless Bellsouth provides sufficient**  
9   evidence regarding its network limitations which might serve to raise this cost / rate.

10  **VI.    The "COVAD" crossconnect is for construction of infrastructure and is being**  
11       **improperly applied by BellSouth in a manner which allows BellSouth double**  
12       **recovery of its cost(s).**

13  
14  **Q.     BELLSOUTH WITNESS CALDWELL ASSERTS THAT THE \$8.22 RESULTING**  
15       **FROM THE COVAD ARBITRATION (DOCKET 001797-TP) IS SOMEHOW**  
16       **BINDING UPON SUPRA IN ITS CONVERSION OF UNE-P TO UNE-L. WHAT DID**  
17       **THE COMMISSION ACTUALLY ORDER?**

18       The first issue in Supra's arbitration of its interconnection agreement with BellSouth in  
19   Docket 001305-TP, surrounded whose interconnection agreement template would form the basis  
20   of the agreement between the parties. One of Supra's concerns in this issue was the basis of the  
21   "take it or leave it" rates recorded in the BellSouth template. BellSouth won the template issue,

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<sup>106</sup>    See PSC-01-2051-FOF-TP, Appendix A, NRC rate for the P.1.1 of \$0.102 - (In light of Ms. Caldwell's assertion this is the loop part only, this is the FPSC labeling used in the May and October orders, which was later changed to P.1.BIZRES identification in PSC-02-1311-FOF-TP).

1 but in so doing, the FPSC was quite precise in the subsequent issue regarding the source of the  
2 rates – BellSouth’s template rates were thrown out in their entirety and replaced with the rates set  
3 by this Commission in two dockets. However, the Covad arbitration Docket 001797-TP was **not**  
4 ordered by this Commission, which was quite clear in its order stating “... in this **issue we**  
5 **believe that the rates we established in Docket Nos. 990649-TP and 000649-TP are the**  
6 **appropriate rates for (B) Network Elements, (C) Interconnection, (E) LNP/INP, (F) Billing**  
7 **Records<sup>107</sup>, and (G) Other<sup>108</sup>. “<sup>109</sup> (Emphasis Added) The Commission addressed Supra’s**  
8 issue that certain rates were missing from the BellSouth template by suggesting that Supra either  
9 a) adopt rates from other carriers Interconnection agreements, or b) using Tariff rates. Neither of  
10 these solutions are applicable in this case, as the necessary conversion rate, according to  
11 BellSouth, is not in **any** CLEC agreement, nor is it in a tariff.

12

13 There is no legal basis for BellSouth’s assertion that the ADSL crossconnect charge established  
14 in the Covad arbitration is a) binding upon Supra, b) not excluded by the FPSC orders in Supra  
15 contract arbitration Docket 00-1305, c) legitimately applied to a UNE-L crossconnect charge in  
16 any event, or d) intended to be used for any purpose other than the crossconnecting of a carriers  
17 facility to a CLEC owned facility, line splitter, or other device within the collocation space by  
18 ordering a crossconnect be placed between two blocks at the MDF. Supra orders this cross

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<sup>107</sup> 02-0413 original footnote - Although there is no discussion as to specific billing records, we presume the items intended to be addressed are Access Daily Usage File (ADUF), Optional Daily Usage File (ODUF), and Enhanced Optional Daily Usage File, for which we have established rates in Docket No. 990649-TP.

<sup>108</sup> 02-0413 original footnote - Although there is no discussion as to a specific “other” network element(s) by either party, we presume the item intended to be addressed is line-sharing, for which we established rates in Docket No. 000649-TP.

<sup>109</sup> Supra Exhibit # DAN-4 – PSC-02-0413-FOF-TP at pg 71-72, (Emphasis Added)

1 connect to "jumper" terminal on one of its MDF mounted blocks to another of its MDF mounted  
2 blocks for the purpose of effecting collocation infrastructure, but Supra disputes that it is  
3 properly charged on a UNE-L loop which **already includes recovery all of the same work**  
4 **activities recovered by the Covad crossconnect cost study.**

5  
6 **Q. CAN YOU EXPLAIN THIS IN MORE DETAIL?**

7 A. Yes. A detailed analysis of the COVAD crossconnect will show (1) that it conflicts with  
8 the UNE-L NRC cost study, and (2) it lacks applicability to UNE-P to UNE-L hot cuts.

9  
10 **Q. EXPLAIN THE RELEVANCE OF DOCKET 001797 TO THE SUPRA –**  
11 **BELLSOUTH INTERCONNECTION AGREEMENT.**

12 A. I cannot. Based on the summaries of the arbitration of the current agreement, I doubt that  
13 BellSouth will be able to do more than state that the generic template contained, in the  
14 collocation section not the UNE section, a rate for a two wire crossconnect that is the same as the  
15 rate awarded In the COVAD arbitration.

16 It is clear from the COVAD case, this is not a standard UNE element – otherwise it  
17 would be addressed in the Generic UNE Docket 990649-TP, which it was not – but a special  
18 purpose crossconnect unbundled at the request of COVAD. Therefore, all other UNE-L loops,  
19 purchased by all other CLEC before<sup>110</sup> would have been provisioned without this COVAD  
20 crossconnect. The simple conclusion from this is that no other CLEC, not Supra, MCI, AT&T,

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<sup>110</sup> And likely since, at least until the Follensbee – Nilson discourse In the Spring of 2003.

1 FDN or any other voice CLEC felt the need for this particular element to be unbundled for the  
2 purpose of voice service.

3 **Q. WHO IS COVAD AND WHAT IS THEIR BUSINESS?**

4 A. Outside the Incumbent LECs, indeed outside the major RBOCS, COVAD is the countries  
5 leading provider of wholesale DSL services which are based upon a wholly owned DSL  
6 network.<sup>111</sup> Based upon information and Belief, COVAD is the major supplier to Earthlink,  
7 and possibly AOL.

8  
9 **Q. WHY DOES COVAD NEED AN UNBUNDLED CROSSCONNECT WHEN**  
10 **EVERYONE ELSE CAN DO WITHOUT IT?**

11 A. That's pretty simple. In order to provision DSL service to a customer, regardless of who  
12 is **already providing voice service** to the customer, COVAD must issue an order to:

- 13 1. Break the voice circuit from the loop to the switch at the MDF.  
14 2. Provision a **crossconnect** from the MDF block where the loop is terminated to the  
15 input port of the COVAD supplied (or leased) POTS Splitter<sup>112</sup>  
16 3. Provision a **second crossconnect** from the output of the Pots splitter LoPass filter  
17 back to the Class 5 switch.  
18 4. Provision a **third crossconnect** from the output of the POTs splitter HiPass filter  
19 to the COVAD supplied DSL DSLAM<sup>113</sup>.

20  
21 While various network design issues will affect the exact configuration of above, and based upon  
22 information and belief it is quite likely that COVAD itself does this in different ways in different

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<sup>111</sup> As opposed to purchasing the Federally Tarrified DSL transport from the RBOC, connecting to a third party network and reselling the result.

<sup>112</sup> The POTS splitter (logically) is a three terminal device. Terminal 1 is input from the loop, which is fed to the input to a Hi-pass/LoPass filter in the POTS splitter. Terminal 2 is the output of the LoPass filter which is then fed to the Class 5 switch and contains the low frequency voice with the high Frequency DSL signal filtered out. Terminal three is the output of the HiPass filter which is fed to the DSL DSLAM with the low frequency voice signal filtered out.

<sup>113</sup> The third crossconnect is optional if the network design permanently cables the POTs splitter to the DSLAM, or incorporates it into the DSLAM. However when the POTS splitter is leased from BellSouth it is most likely that three crossconnects will be purchased, provisioned and billed.

1 offices, the generic explanation above is representative of **why** COVAD needed the crossconnect  
2 broken out as a separate rate element.

3

4 **Q. GIVEN THE SCENARIO ABOVE, IS BELL SOUTH THE ONLY VENDOR WHO**  
5 **COULD PROVIDE SUCH A CROSSCONNECT?**

6 A. Not at all. Supra's interconnection provide the ability, and BellSouths account team has  
7 encouraged Supra to use its Bellsouth certified contractors to place crossconnects on their behalf.  
8 All such infrastructure crossconnect, and co-carrier crossconnects such as would be covered by  
9 the "COVAD" crossconnect are placed by Supra's vendor WPC, and not subject to recurring or  
10 non-recurring billing by Bellsouth out of the collocation Attachment (3). There is no  
11 corresponding UNE crossconnect in the UNE (UNE-P/UNE-L) rate section in Attachment 2.

12

13 **Q. WHY IS THAT?**

14 A. There is no reason for one. The FCC UNE Remand Order (00-238) did not lead this  
15 Commission to create a separate crossconnect UNE element as part of the UNE docket 990649-  
16 TP. This was **not** an oversight by the Commission as the rate was built into the loop UNE In  
17 each case. BellSouth is not allowed to bill a crossconnect with UNE-P service, which effects a  
18 crossconnect and recovers the cost of same through the very same UNE-L loop cost, so its  
19 inconceivable how BellSouth believe s that they will prevail on this issue.

20 And it is not an oversight due to DSL either. This Commission provides a rate for the  
21 very same POTs splitter listed above in the MCI, and then AT&T And Supra agreements listed  
22 as a rate for "line splitting" which is the monthly lease of a preinstalled BellSouth POTS splitter.

23 So BellSouth's argument is that

- 1 a) None of the major voice CLECs sought a crossconnect, only the largest DSL  
2 ("DLEC") did.
- 3 B) That the Commission, in their wisdom, did not address or include a discrete  
4 crossconnect In the Generic UNE Docket, but in a collocation docket.
- 5 C) That the Commission, however, **did** address the cost of the POTS splitter and  
6 ordered line splitting be leased to CLECs in 00649-TP.
- 7 d) That BellSouth places the POTs splitter In the UNE section of the Interconnection  
8 agreement.
- 9 e) That BellSouth does not place the discrete crossconnect in the UNE section of the  
10 agreement, but in the collocation section, where this commission ordered the rates  
11 of 00649-TP, not 001797 be placed.

12

13 This is simply logic that is too tortured to be credible. Supra cannot fathom what other defense  
14 BellSouth will bring forward – all they have said to date is "the Commission ordered us to do it."

15 **Q. HOW DID THE CHARGE FOR THE "COVAD" CROSSCONNECT FIRST**  
16 **APPEAR ON SUPRA'S BILLS FROM BELL SOUTH.**

17 A. This may be the most frustrating issue in this entire Docket. BellSouth blames this  
18 charge on me! I think it goes without saying that I never suggested to BellSouth that this charge  
19 be added to our bill, and now turn around and fight against it, yet that is the story being  
20 circulated. It is completely false.

21

22 **Q. WHAT IS BELL SOUTH'S "STORY" OR POSITION ON THIS ISSUE?**



1 A. BellSouth has repeatedly made the claim that I, David Nilson **reminded** Bellsouth that  
2 they should be billing the crossconnect fee **in addition** to the A.1.1 NRC (\$49.57). Nothing  
3 could be further from the truth.

4 Around the time of the March 5, 2003 Intercompany meeting (where BellSouth first  
5 stated its intention of charging Supra \$49.57), Supra and BellSouth were participating in  
6 regularly scheduled meetings relative to resolving the billing disputes that Supra had brought in  
7 Federal court. Mr. Follensbee and I were representing our respective companies. At the end of  
8 most meetings, time was generally devoted to discussion of other pending issues. At this  
9 particular telephone conference, I asked Mr. Follensbee for the financial, cost and other data  
10 relative to the \$9.57 charge that he had taken as an action item at the March 5 meeting.<sup>114</sup>

11 Responding to a push-back from Mr. Follensbee regarding this information (which to  
12 date has yet to be provided). I challenged Mr. Follensbee as to BellSouth's authority was to  
13 charge the full NRC for construction of a A.1.1 and A.1.2 loop for a simple hot cut. I further  
14 stated that **the absolute most** that BellSouth could reasonably claim was to charge us for a  
15 crossconnect, although **even that was too** much based upon the rate established and the work  
16 actually performed. The logic of this was that the loop itself was not being ordered or  
17 provisioned, and that while the crossconnect charge was embedded in the loop, having the  
18 separate crossconnect charge in the collocation section (for collocation infrastructure) would  
19 allow a more reasonable resolution to the missing UNE-P to UNE-L conversion rate than simply  
20 applying the full A.1.1 and A.1.2 NRC rate.

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<sup>114</sup> See Supra Exhibit # DAN-12 page 6, para 5, action Item 13A and 13B.